

Ambient Air Quality Impact Report
Kyrene Expansion Project
Title V Permit V95009
Significant Permit Modification S01-012
August 28, 2002

APPLICANT

Salt River Project (SRP)
MS PAB352
1521 Project Drive
Tempe, AZ 85181-1206

PROJECT HISTORY

On March 14, 2001 Maricopa County Environmental Services Department (MCESD) issued significant modification S01-012 to the Title V air permit for SRP Kyrene Expansion Project. The project involved the installation of a new natural gas-fired combined-cycle system (K-7) to the existing facility. The modified Title V permit as issued, required PM-10 offsets to be obtained by SRP to offset emissions from the expansion project since the project is located in a non-attainment area for PM-10.

During the permitting process EPA Region 9 had indicated that PM-10 offsets would be required. However, a subsequent letter from the U.S. EPA Office of Air Quality Planning and Standards (OAQPS) issued on August 10, 2001 indicated that MCESD could have concluded that the Kyrene Expansion Project would not be required to obtain PM-10 offsets.

On October 4, 2001 SRP submitted a significant revision requesting the removal of the PM-10 offset requirement from the Title V permit. The basis for the request is that the expansion project results in limiting the total PM-10 emissions from the facility to less than major source thresholds, in which case the PM-10 offsets requirements would not apply.

On August 14, 2002 ADEQ issued a guidance letter regarding the interpretation of Maricopa County Rule 240 Sections 305.1 and 306.1. ADEQ concluded that Maricopa County Rule 240 does not differ from the State and Federal rules to sufficiently justify departure from the federal guidance, and therefore the modification does not require PM-10 offsets.

MCESD has received letters from ADEQ and U.S. EPA OAQPS indicating that their interpretation of County Rule 240 does not require PM-10 offsets for the Kyrene Expansion Project. Therefore, MCESD is proposing to issue the significant revision to remove the PM-10 offsets requirement from the Kyrene Expansion Title V permit.